



**Audit of DNS Residential
Complaints**

AYCHA SAWA
City Comptroller

CHARLES ROEDEL
Audit Manager

August 2022

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Aycha Sawa, CPA, CIA
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Richard Bare, CPA
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August 24, 2022

Honorable Cavalier Johnson, Mayor
The Members of the Common Council

Dear Mayor and Council Members:

The attached report summarizes the results of the Audit of DNS Residential Complaints. Specifically included in the scope were:

- Residential complaints, with a focus on high-risk tenant impacted cases (e.g. no heat, no water, etc.) from the period January 1, 2020, through December 31, 2021.

The primary focus of the audit was to evaluate whether DNS is prioritizing and addressing emergency residential complaints and doing so in an equitable manner. The audit objectives were as follows:

- Verify that caseload information is complete, relevant, and reliable to adequately evaluate, prioritize, monitor, and address residential complaints.
- Determine if complaints involving high-risk issues related to tenant-occupied residential property are being addressed in a timely manner in accordance with policy and procedures and/or based on other measurable criteria.
- Determine if complaints involving high-risk issues related to tenant-occupied residential property are being addressed in an equitable manner (in accordance with policy and procedures, and/or based on other measurable criteria, such as zip code, district, etc).

The audit identified emergency resident complaints are being addressed due to the lack of repeat complaints, but the documentation to support actions taken by DNS is not consistently adequate and leads to delayed case closeouts. Audit findings are discussed in the Audit Conclusions and Recommendations section of this report and are followed by management's response.

Appreciation is expressed for the cooperation extended to the auditors by the personnel of the Department of Neighborhood Services.

Sincerely,

A handwritten signature in black ink that reads "Charles Roedel".

Charles Roedel, CPA, CIA
Audit Manager

CRR:rigl



Why We Did This Audit

To determine if DNS is addressing in a timely and equitable manner the complaints made by residents whose basic needs are not being met.

Objectives

The objectives of the audit were to:

- Verify that caseload information is complete, relevant, and reliable to adequately evaluate, prioritize, monitor, and address residential complaints.
- Determine if complaints involving high-risk issues related to tenant-occupied residential property are being addressed in a timely manner in accordance with policy and procedures and/or based on other measurable criteria.
- Determine if complaints involving high-risk issues related to tenant-occupied residential property are being addressed in an equitable manner (in accordance with policy and procedure, and/or based on other measurable criteria, such as zip code, district, etc).

Background

DNS closed more than 39,000 complaints in 2020 and received more than 43,000 in 2021. These vary in source, content, and focus, with some being related to occupied residential property regarding loss of heat, no water, presence of vermin, disrepair, etc. Receiving, routing, prioritizing, tracking, and addressing these issues in an equitable manner is one of the core functions of DNS.

Audit Report Highlights

Audit of DNS Residential Complaints

Overview

The DNS residential response process is well designed and operating effectively. DNS prioritizes and addresses emergent residential complaints and allocates resources in an equitable manner across geographic areas. However, an opportunity exists for case closeouts to be consistently entered in a complete and timely manner.

Finding

Case Closeout: The quality and timeliness of posting documentation to close out a case varies greatly. Three out of the 30 sampled cases were not documented as closed out in a timely manner. One of those cases showed a delay in completing a timely re-inspection and providing adequate documentation to support why the case remained open. Internal Audit notes this delay occurred at the start of the COVID-19 pandemic when circumstances were changing rapidly. The remaining two sampled case exceptions did not have their case status updated upon final action to reflect their closed status, which resulted in the cases remaining open unnecessarily.

(Recommendations can be found in the Audit Conclusions and Recommendations section of this report.)

I. Audit Scope, Objectives, and Methodology

Scope

Residential complaints, with a focus on high-risk tenant impacted cases (e.g. no heat, no water, etc.) from the period January 1, 2020, through December 31, 2021.

Objectives

The objectives of the audit were as follows:

- Verify that caseload information is complete, relevant, and reliable to adequately evaluate, prioritize, monitor, and address residential complaints.
- Determine if complaints involving high-risk issues related to tenant-occupied residential property are being addressed in a timely manner (in accordance with policy and procedures and/or based on other measurable criteria).
- Determine if complaints involving high-risk issues related to tenant-occupied residential property are being addressed in an equitable manner (in accordance with policy and procedures, and/or based on other measurable criteria, such as zip code, district, etc).

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. Internal Audit believes that the evidence obtained provides a reasonable basis for the audit's findings and conclusions based on the audit objectives.

Methodology

Audit methodology included developing an understanding of the processes and controls over DNS residential complaints. The audit program was developed using criteria outlined in the City of Milwaukee's City Ordinance 200-21 and DNS's Policies and Procedures. This methodology is in accordance with professional standards as presented in Government Auditing Standards (also known as the "Yellow Book"), which was used as a reference and program development guide for the planning of this audit.

II. Organization and Fiscal Impact

DNS is responsible for addressing emergency conditions at properties that could endanger a resident's wellbeing. Emergency conditions, as outlined by MCO 200-21, include any of the following: lack of heat, lack of water, defective plumbing system, defective electrical system, fire alarm defects, and defective sewage system. These types of cases can be initiated through a few different avenues:

- 1) The resident engages in Click for action or Call for Action
- 2) The resident calls DNS Customer Service directly
- 3) The resident contacts their Alder, who then submits the case to DNS on the resident's behalf
- 4) Inter-department transfers (e.g. MFD responds to a fire call and determines the structure of the building is too damaged and poses a safety risk)
- 5) Self-initiated (e.g. DNS inspector identifies safety concerns while at the property)

Once a complaint has been made to DNS, a customer service representative (CSR) reviews the complaint for any of the emergency conditions outlined in MCO 200-21. If an emergency condition is identified, the CSR emails the case directly to the district supervisor who is responsible for the area where the complaint is located. The district supervisor immediately calls the resident and the property owner in an attempt to get the emergent issues resolved. If the emergent case cannot be resolved between the two parties, the district supervisor then assigns the case to an inspector. The inspector is responsible for the case all the way through until it is closed out using Accela, which is the case management platform DNS utilizes.

During the audit period from 1/1/2020 through 12/31/2021, DNS received 1,687 cases containing language indicating a possible emergency as defined by MCO 200-21. Out of those 1,687 cases, 54% involved lack of heat, 35% involved lack of water and defective plumbing system, 20% involved defective sewage system, 9% involved defective electrical system, and 2% involved fire alarm defects.

III. Audit Conclusions and Recommendations

The DNS residential response process is well designed and operating effectively. DNS prioritizes and addresses emergent residential complaints and allocates resources in an equitable manner across geographic areas. However, an opportunity exists for case closeouts to be consistently entered in a complete and timely manner.

Delayed Closeouts and Inconsistent Documentation on Case Records

Finding: Case closeouts have an opportunity to be executed and documented more consistently. However, execution issues appear to be rare because the lack of repeat complaints indicates complaints are being addressed. Three out of the 30 sampled cases were not closed out in a timely manner. One of those cases showed a delay in completing a timely re-inspection and providing adequate documentation to support the case status. This particular case was a no heat complaint that was submitted on March 10, 2020. DNS inspected the property on March 11, 2020 and gave the property owner until March 16, 2020 to restore heat. However, DNS did not close the case until March 30, 2020 and no re-inspection was performed because the resident moved on March 27, 2020. Internal Audit notes this delay occurred at the start of the COVID-19 pandemic when circumstances were changing rapidly. Other comparable emergency no heat cases indicated DNS typically follows up on time. The remaining two sample case exceptions did not have their case status updated upon final action to reflect their closed status, which resulted in the cases remaining open unnecessarily.

Risk: Untimely resolution for residents in emergency situations. *Risk Rating: Low*

Recommendation: DNS should establish specific guidelines for required documentation that includes the detail of the actions taken to support inspection results and other activities performed to address the case. Additionally, DNS management should use documentation and entered comments to monitor the status of emergency cases.

Other Conclusions

Accela

Accela is the platform DNS utilizes to create, monitor, and store the residential case information. The program allows DNS staff to add comments to cases to provide context and document relevant actions to the case. Internal Audit confirmed features within Accela are not working as designed. For example, when DNS staff provide documentation on re-inspection results, the results are supposed to automatically duplicate and post to another section within case file; this feature is not functioning. The effect of this feature failing to function makes it seem as if no documentation was entered pertaining to re-inspections.

Lack of Repeat Complaints

To gain comfort that DNS is addressing high-risk emergency cases despite the lack of consistent documentation, Internal Audit tested all 1,687 possible emergency cases as indicated by the language in MCO 200-21 from 2020 and 2021 to identify if there are repeat complaints at the same address for the same issue. There were 416 cases between 2020 and 2021 with repeated addresses. Addresses identified as having multiple cases attached to them had a few different explanations:

- a) Same address, but a different unit in the building
- b) The resident entered the same complaint multiple times on the same day, which resulted in duplicated complaints in the system
 - i. DNS has 24 hours to respond to an emergency case
- c) The resident entered a new complaint for different issues
 - i. Example: One case for no heat and another case for no hot water
- d) The resident had an issue, but the issue reemerged later
 - i. Example: Resident submitted a case for no heat in December. DNS addressed the issue. The boiler broke 6 weeks later, and the resident submitted a new case.
- e) The resident ignores DNS contact attempts, which results in DNS closing the case. The resident opens a new case a few days later because the issue(s) were not addressed.

Internal Audit was unable to identify instances where a resident had to submit a new case due to DNS not following up once the complaint was initially received.

Placards

When a property is deemed too unsafe for the resident to remain at the property, an inspector will issue a placard. The placard requires the resident to vacate the property immediately and notifies the resident that they cannot return to the property until the violations have been addressed. Placards can be very disruptive to a resident's life, which results in issuing a placard as a last resort for DNS. Due to the severity of a placard, DNS's policy and procedures specify placards need to be signed off by a supervisor upon issuance and a copy of the placard needs to be sent via Certified Mail to all occupants, property owners on record, and any property managers/registered agents for the property within 24 hours of issuance. Additionally, a copy of the order is posted directly on the property.

Internal Audit sampled 20 placards within the scope period, 10 from 2020 and 10 from 2021.

Internal Audit reviewed the placards for supervisor signatures and confirmed the placards were sent via Certified Mail within 24 hours. Internal Audit is comfortable inspectors are obtaining supervisor signatures upon issuing a placard for unsafe conditions and DNS is sending a copy of the placard within 24 hours of issuance via Certified Mail to the resident.

Equitable Allocation of Resources

While district maps have remained static over the years, DNS continues to allocate resources to areas where they are needed most. Internal Audit tested all emergency residential cases from 2020 and 2021 to see if any districts had longer case completion times. While there were a few outliers, Internal Audit followed up with DNS management to gain additional context on the outliers and found the outliers to be justified. Taking into consideration the explanations for the outliers and the rest of the data, Internal Audit believes resident complaints are being addressed timely and fairly.



Aycha Sawa, CPA, CIA
Comptroller

Joshua Benson
Deputy Comptroller

Toni Biscobing
Special Deputy Comptroller

Richard Bare, CPA
Special Deputy Comptroller

August 24, 2022

Honorable Cavalier Johnson, Mayor
The Members of the Common Council

Dear Mayor and Council Members:

With this letter, the Office of the City Comptroller acknowledges receipt of the preceding report, which communicates the results of the Audit of DNS Residential Complaints. I have read the report and support its conclusions. Implementation of the stated recommendations will help improve City processes.

As the City Comptroller, I was not involved in any portion of the work conducted in connection with the audit. At all times, the Internal Audit Division worked autonomously in order to maintain the integrity, objectivity, and independence of the audit, both in fact and in appearance.

Sincerely,

A handwritten signature in black ink, appearing to read "Aycha Sawa".

Aycha Sawa, CPA, CIA
Comptroller



Department of Neighborhood Services

Erica R. Roberts
Commissioner

Kristen M. Reed
Operations Director

Michael Mazmanian
Operations Director

August 5, 2022

Charles Roedel
Audit Manager
Office of the Comptroller
City Hall, Room 404

RE: AUDIT OF THE DEPARTMENT OF NEIGHBORHOOD SERVICES RESIDENTIAL COMPLAINTS

Dear Mr. Roedel:

This is written in response to the recommendations made in the Audit of DNS Residential Complaints dated August 2022.

Recommendation 1:

- a) *DNS should establish specific guidelines for required documentation that includes the detail of the actions taken to support inspection results and other activities performed to address the case.*

DNS recognizes the importance of documentation to ensure full transparency in Departmental efforts to resolve emergent code enforcement issues and potential violations. Kristen Reed, Operations Director, is re-evaluating and updating current documentation policies to reflect the specific guidelines and develop protocols to ensure emergency complaints and orders are documented thoroughly and in a timely manner. Once the updated policies and guidelines are in place, staff will be re-trained in a timely and expedient manner with the goal of the re-training occurring no later than 1st quarter of 2023.

Department supervisors will be responsible for conducting ongoing and timely reviews of emergency complaints and orders to identify staff not in compliance with updated policies and guidelines. Those inspectors not in compliance will be coached to reinforce the critical need for timely updates.

- b) *DNS management should use documentation and entered comments to monitor the status of emergency cases.*

Department supervisors will be responsible to follow emergency complaints and subsequent emergency orders to ensure they are updated and closed out in a timely manner consistent with department policies and guidelines.



Department of Neighborhood Services

Erica R. Roberts
Commissioner

Kristen M. Reed
Operations Director

Michael Mazmanian
Operations Director

Please direct any questions on the above response to the undersigned at extension 2543, or to Kristen Reed, Operations Director, at extension 2548.

Sincerely,

Erica R. Roberts
Commissioner of Building Inspection

ERR/kmr